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Message Text

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42
ACTION AF-06

INFO OCT-01 ISO-00 SP-02 EB-07 COME-00 TRSE-00 OMB-01

OPIC-03 XMB-02 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 L-02 FEA-01 CIEP-01 /041 W
---------- 127952
R 140710Z APR 75
FM AMEMBASSY MOGADISCIO
TO SECSTATE WASHDC 2812

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E.O. 11652: N/A
HCHE: EINV, SO
SUBJECT: CALTEX PROBLEM

REF: STATE 39553

1. CALTEX EAST AFRICA REPS TOLD US APRIL 11 THAT SOMALIA'S NATIONAL PETROLEUM AGENCY (NPA) HAD AGREED IN PRINCIPLE TO LUBRICANT PLANT JOINT VENTURE ON APRIL 9 AND WAS REQUESTING FORMAL PROPOSAL FROM CALTEX. EAST AFRICA OFFICE WILL SUBMIT PROPOSAL SUBJECT TO NUD CALTEX BOARD'S APPROVAL. NO RPT NO FORMAL AGREEMENT HAS YET BEEN SIGNED. FINAL AGREEMENT WILL PROBABLY TAKE 2 - 3 MOS.

2. ACCORDING CALTEX REP TOLLEMASCH, CALTEX ASSETS CURRENTLY TIED UP BY GSDR TOTAL APPROXIMATELY US$ 339,000. THIS INCLUDES (A) 1.4 MILLION SO. SHS. (US$ 226,000) WHICH HAVE BEEN RELEASED ON DEPOSIT IN SOMALI BANK WHERE IT CURRENTLY EARNING 4 PERCENT INTEREST FOR CALTZC; AND (B) 700,000 SO.SHS. (US$ 11CPPWGL WHICH IS STILL BEING HELD BY GSDR.

3. IF LUBRICANT PLANT JOINT VENTURE IS CONCLUDED, CALTEX WOULD USE THESE FUNDS TO FINANCE ITS SHARE OF PLANT'S US$ 450,000 TOTAL COST -- LOANPGG GSDR ANY FUNDS SURPLUS TO ITS NEEDS. CALTEX BELIEVES GSDR WOULD HOLD 51 PERCENT OF JOINT VENTURE AND CALTEX REMAINDER. CALTEX
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REPS ARE OPTIMISTIC THAT JOINT VENTURE WILL BE CONCLUDED (FYI

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GSDR OFFICIAL TOLD THEM THAT BECUASE OF CALTEX'S EXCELLENT SERVICE TO SOMALIA, SOMALI GOVT HAD REJECTED BIDS BY AGIP AND MARMEX TO ESTABLISH BLENDING PLANT IN MOGADISCIO END FYI.).

4. CALTEX WOULD ALSO SEEK GSDR ASSURANCE THAT IT COULD REPATRIATE PROFITS AND INTEREST ON ANY MONIES LOANED GSDR. JOINT VENTURE AGREEMENT WOULD BE FOR TEN YEARS AND PLANT'S ANNUAL OUTPUT IN NEIGHBORHOOD OF 4 TO 5,000 TONS.

5. CALTEX PROMISED KEEP US INFORMED OF PROGRESS OF NEGOTIATIONS -- THROUGH ADDIS OR NAIROBI (NO CALTEX REPS OR AGENTS ASSIGNED MOGADISCIOO).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BLOCKED ASSETS, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: woolflhd
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Review Exemptions: n/a
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